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June 6, 2003

Alex Trujillo
Regional Administrator
Department of Health and Human Services
Centers for Medicare and Medicaid Services
The Colorado State Bank Building
1600 Broadway, Suite 700
Denver, CO 80202

Dear Mr. Trujillo:

Enclosed, please find a five year renewal request for the Montana Waiver #0208.90. At the request of CMS, we will be reporting discrete waiver services effective with the Initial 372 Report for FY 2004. Projecting discrete services for this renewal request was made possible by CMS approving a Department cost plan sampling methodology. A total of 61 of 148 Supported Living and 91 of 233 Intensive Family Education and Support cost plans were reviewed to develop discrete waiver service projections based on discrete service costs not available from the Department's billing and payment database. Interpolated projections were within three percent of actual dollars paid against the bundled waiver service categories in FY 01. All discreet waiver service categories were then adjusted by the same percentage to match the actual expenditures for waiver services for FY 01. We believe this methodology results in valid projections by service category in both cost and utilization, although the actual cost of the waiver over the next five years is likely to be less than projected (see page four).

Please note the following requested changes in the waiver, effective for FY 2004:

1. At the request of CMS, the Department will no longer be using the term "Supported Living" in CMS reports, effective FY 04. Supported Living is the term used to describe supports to adults living in all environments except group homes. Waiver services delivered to persons in supported living will be split out in future CMS reports by discrete service. Currently, such services (e.g., residential habilitation, transportation, respite, personal care) are bundled into the "Supported Living" category in 372 reports.
2. At the request of CMS, the Department will no longer be using the term Intensive

Family Education and Support (IFES) in CMS reports, effective in FY 04. IFES is the term used to describe bundled child and family supports to persons from 0 through 21 years of age living in natural or foster homes. Waiver services delivered to persons in IFES will be split out in future CMS reports by discrete service. Currently, such services are bundled in the “IFES” category in 372 reports.

3. _____ The Department proposes that Supported Living Coordination (SLC) is no longer a waiver service effective FY 04. This service category was originally crafted to ensure that persons requiring very high levels of support receive adequate shift coverage and that direct support staff are properly trained to meet client needs. In retrospect, these health/safety issues apply to recipients in all waiver services. Residential providers must have adequate systems in place to assure recipients’ needs are met. The costs associated with the SLC activities outlined in rule and waiver language will be folded into residential habilitation costs (as the costs of similar staffing responsibilities in group homes serving a similar clientele are folded into group home residential costs). Removal of this term in rule and waiver language in no way reduces a service provider’s responsibility to meet a waiver recipient’s needs. Removal of the term as a discrete waiver service will simplify administration of the waiver.
4. Intensive Support Coordination remains as defined in rule and is unchanged, except for a name change to Family Support Coordination. This service is delivered by Family Supports Specialists (FSSs), who coordinate services to high need children with developmental disabilities aged 0 through 21 and their families. This service will be unbundled from IFES (see #2, above) and will be reported as a discrete service in future CMS reports, effective FY 04. The Department proposes the term Family Support Coordination replace the term Intensive Support Coordination in all rule and waiver language applying to this service. The proposed term better describes what FSSs do. Nothing will change for providers or children as a result of this change.
5. The Department requests that CMS approve “Day Habilitation” as a discrete service category. Services in this category include services to seniors, services to persons in pre-vocational settings and services to persons with severe levels of disability (A.K.A., intensive) who require enriched staffing ratios. In the 1998 Waiver Amendment, “senior services” were folded into “intensive services”. In some programs, particularly in small day programs, all three categories of waiver recipient may be served under one roof. Day services to persons are based on plans of care specific to their needs. Services to persons would not be impacted by this change, but the change would ease the administrative burden in reporting to the Department.

6. The Department term for state staff serving as QMRPs was changed from Field Services Specialist (FSS) to Quality Improvement Specialist (QIS) effective 2002.

SUMMARY OF SERVICE CATEGORY CHANGES

(Source: Table of Contents from the 1998 Waiver Amendment approved June 29, 1998)

The basic services for which the Department of Public Health and Human Services of the State of Montana is requesting a renewal of Waiver Control #0208.90 consist of the following:

- A. ~~Intensive~~ *Family* Support Coordination
- B. ~~Supported Living Coordination~~
- C. Homemaker Services
- D. Personal Care Services
- E. Habilitation and Support Services
 1. ~~Habilitation and Support in Residential~~ *Habilitation Settings*
 2. ~~Habilitation and Support in Day Programs~~ *Habilitation*
 - a. ~~Intensive Day Programs~~
 - b. ~~Pre-Vocational~~
 3. ~~Habilitation and Support as~~ Supported Employment
- F. Respite Care Services
- G. Psychological Services
- H. Physical Therapy Services
- I. Occupational Therapy Services
- J. Speech Therapy Services
- K. Transportation Services
- L. Environmental Modifications/Adaptive Equipment
- M. Dietitian Services
- N. ~~Nursing Services~~ *Private Duty Nursing*
- O. Meals
- P. Respiratory Services
- Q. ~~Specialized Medical Equipment & Supplies~~ [waiver will pick up disposable diapers only]

The Department projects substantially increased utilization of the waiver during the period from FY 04 through FY 08 as compared with the previous five years, although the cost projection methodology used (based on FY 2000 and 2001 lag data) results in projected service costs that will likely exceed the actual costs. Individuals projected to enter the waiver in the next five years will likely have service needs that, in aggregate, are less costly to meet than persons

currently served in the waiver. This is similar to the situation which occurred following the 1998 Renewal projections. The actual waiver costs for FY 01 were \$9,000,000 less than the FY 01 cost projection approved by CMS in 1998. The actual factor D values in FY 01 were more than \$5,000 less than the FY 01 projected values. The same is likely to hold true for the next several years. Except for persons living in the state's ICF-MRs, the majority of Montanans with the most severely handicapping conditions are currently in the waiver.

Should you have any questions about the 0208.90 Waiver Renewal request, the contact person in the Developmental Disabilities Program is Perry Jones. He can be reached at (406) 444-2995.

Sincerely,

Gail Gray, Director
Department of Public Health and Human Services

cc: Mary Kissell, Di Friedli; CMS Denver Office
Jeff Sturm, Jannis Conselyea, Perry Jones; DDP